

Labour Market

NOTES ■ September 2013

Alberta employment jumps again in August

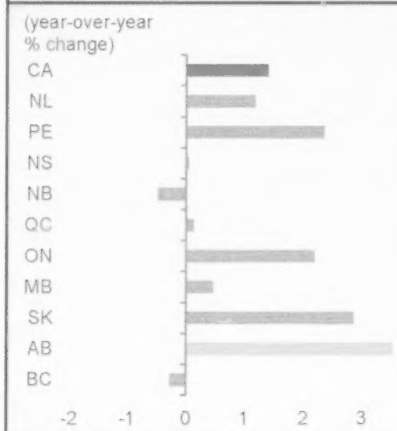
Alberta

- Employment records another robust gain. Alberta gained 15,200 positions in August, the fourth month out of the last five that the province has added more than 14,000 jobs. The new positions created in August were split roughly equally between part-time and full-time jobs. The flooding in southern Alberta, and subsequent recovery efforts, may have impacted the monthly job numbers. However, it will take several months to see the effects of the flooding on Alberta's labour market.
- Year-over-year job growth highest among the provinces. Alberta has gained 77,400 jobs since August 2012, an increase of 3.6%. Year-over-year employment growth has now accelerated for six straight months.
- Service sector continues to drive job growth. The health care and social assistance (+10,300) industry propelled service sector employment gains of 12,100. Employment in the goods-producing sector increased by 3,100 in August, reflecting the strongest increase in forestry, fishing, mining, oil & gas industry employment (+6,600) since April 2012.
- Unemployment rate creeps up. Entry into the labour force (+22,300) outpaced August's robust employment growth, pushing the unemployment rate from 4.5% to 4.8%.
- Weekly earnings slip in June. Average weekly earnings edged back in June to \$1,110 over May's levels, but were 3.9% higher than the same month last year.

Canada

- Canadian economy adds jobs. Canadian employment increased by 59,200 in August, driven by strong gains in the health care and social assistance industry. Ontario (+43,600), Alberta (+15,200) and British Columbia (+6,200) were the only provinces to register notable gains. Canada has gained 246,100 jobs (+1.4%) since August 2012.
- Unemployment rate edges down. The Canadian unemployment rate decreased by 0.1 percentage points to 7.1% in August.
- Weekly earnings increase. Canadian average weekly earnings were \$919 in June, a 2.6% gain over the same month last year.

Employment Growth by Province, August 2013 vs. August 2012



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	August or Latest*
Employment	2,232,400
month-over-month change	15,200
year-over-year % change	3.6%
Alberta Unemployment Rate (UR)	4.8%
Edmonton UR**	5.4%
Calgary UR**	5.1%
Participation Rate	73.6%
Average Weekly Earnings (AWE)	\$1,109.80
year-over-year % change	3.9%
Average Hourly Wage	\$27.37
year-over-year % change	1.3%
Job Vacancy Rate**	2.5%

Source: Statistics Canada

* All data is from the Labour Force Survey for August except AWE, which is from the June Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate from May.

** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

For definitions of the data indicators discussed in this publication, please see the second page of August 2012's [Labour Market Notes](#)

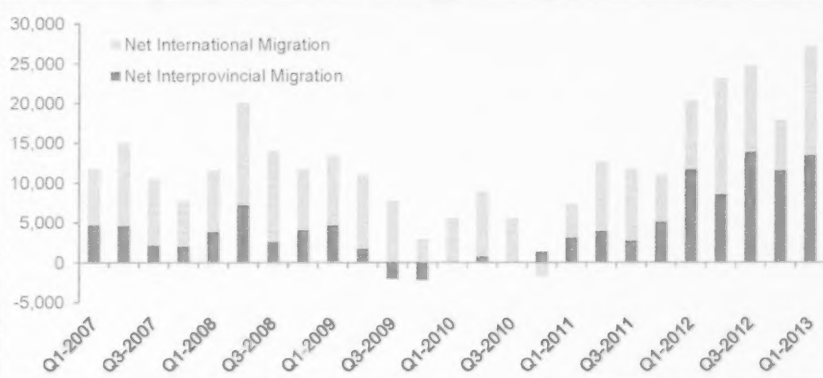
Alberta's surging population and its impact on the labour market

High levels of migration to the province have contributed to a sharp rise in Alberta's labour force (i.e. those working or looking for work). This Labour InSight discusses how strong population growth is impacting Alberta's labour market.

High migration fuels entry into Alberta's labour force

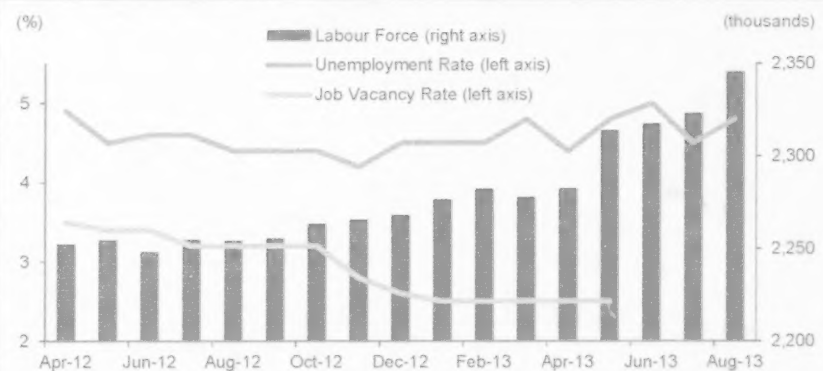
Alberta's population has been growing at the fastest pace among the provinces for over two years. This growth has been fueled by the high number of net migrants moving to Alberta, particularly from other provinces. In the first quarter of 2013, net total migration was a record 27,112 (Chart 1). Alberta Treasury Board and Finance expects that the province's population will expand by 3.2% in 2013, which would be the strongest increase since 1982. The surge in population has increased the number of people working or searching for work in Alberta, despite a downward trend in the labour force participation rate (percentage of the population over the age of 15 that are employed or unemployed).

Chart 1: Alberta Net Migration*



Source: Statistics Canada. *Net international migration includes temporary foreign workers.

Chart 2: Alberta's Labour Market



Source: Statistics Canada

Population growth eases labour market pressures

Alberta's fast growing economy continues to increase the demand for workers. Alberta on its own does not have enough people to fill all of these new jobs, but the steady flow of migrants has helped fill existing and new positions.

The influx of new migrants has added to the supply of labour in the province and prevented the unemployment rate from falling during a period of robust job growth. In four of the last five months, employment has jumped by more than 14,000 per month. Yet, this surge in job growth has been closely matched by entry into the labour force, as growing numbers of people look for work. As a result, despite strong monthly job gains, the unemployment rate has stayed within the 4.2% to 5.0% range since last spring, with August's rate at 4.8% (chart 2).

The rise in migration has made it easier to fill vacancies. The job vacancy rate - the number of vacancies as a share of labour required (jobs and unfilled jobs) - has stabilized at 2.5% this year for each month for which there are data, down from a high of 3.5% in the spring of last year. This suggests that employers have been able to fill many vacant positions. An expanding supply of labour has helped keep a lid on wage inflation. While growth in average weekly earnings has been strong (+3.9% year-over-year in June), it remains well below the growth during the period of acute labour market pressures of 2005 to 2008.

Conclusion

High in-migration has contributed to a large increase in Alberta's labour force. This has eased pressures on Alberta's labour market by filling vacancies and alleviated labour supply constraints during a period economic expansion and strong job growth.

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